

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AF-10 ARA-06 EA-07
NEA-10 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15 STR-04
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01
XMB-02 /138 W

-----260133Z 042656 /72

R 251710Z MAY 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 7666

INFO ALL EC CAPTIALS

AMEMBASSY OTTAWA

C O N F I D E N T I A L GENEVA 4112

E.O. 11652: XGDS1

TAGS: GATT ETRD CA

SUBJECT: CANADIAN GATT POSITION ON ADOPTION OF DISC AND RELATED
PANEL REPORTS

REF: GENEVA 4083

1. AT END OF MAY 23 GATT COUNCIL SESSION WHEN CANADIANS HAD
TAKEN POSITION THAT COUNCIL SHOULD ADOPT PANEL REPORT ON
DISC AND REFLECT FURTHER ON PANEL REPORTS ON TAX PRACTICES
FRANCE, BELGIUM, NETHERLANDS (REFTEL), CANADIAN DEL TOLD US THAT
THEIR POSITION HAD NOT CHANGED FROM PREVIOUS COUNCIL. WE
EXPRESSED SURPRISE, SINCE AT PREVIOUS COUNCIL CNADIANS HAD
STATED THEIR PRIMARY INTEREST WAS IN ELIMINATION OF DISC BUT
THEY DID NOT TAKE A POSITION ON THE QUESTION OF ADOPTING THE
FOUR REPORTS SUMULTANEOUSLY OR SEPARATELY. WE SAID MAY 23
POSITION SEEMED A CLEAR CHANGE, AS THEY ENDORSED DELAY ON
THE THREE EUROPEAN PANEL REPORTS.

2. CANADIANS SAID THEY HAD STRICT INSTRUCTIONS TO UP-
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HOLD PRESTIGE AND AUTHORITY OF GATT PANELS AND IT WAS AN
ERROR AND OVERSIGHT NOT TO HAVE AGAIN SO STATED AT MAY 23
COUNCIL. CANADIANS SAID THEY HAD IN FACT INTERVENED
FORCEFULLY WITH EC AND MEMBER STATES DURING PRIVATE DIS-
CUSSIONS TO ENCOURAGE EC MODERATION IN QUESTIONING PRO-

FESSIONALISM OF PANELS ON FRANCE, BELGIUM, NETHERLANDS.

3. CANADAINS SAID THEIR OVERALL MOTIVATION WAS TO DO WHATEVER THEY COULD TO GET RID OF THE DISC. THEIR TECHNICAL EXPERTS HAVE STUDIED PANEL REPORTS AND THE EXTENSIVE DOCUMENTATION PROVIDED BY THE OTHER THREE COUNTRIES AND FEEL THERE IS INDEED SOME VALIDITY IN THEIR SIMILARITIES BETWEEN CANADIAN TAXATION OF SUBSID- IARIES AND PRACTICES FOLLOWED BY THE THREE EC COUNTRIES. STILL, THEY PLACE EMPHASIS ON UPHOLDING THE AUTHORITY OF GATT PANELS.

4. WE ASKED WHETHER IT WOULD BE POSSIBLE FOR CANADA TO PROMISE THEY WOULD, DURING THE NEXT GATT COUNCIL DISCUS- SION OF THIS SUBJECT, BE PREPARED TO SPEAK OUT MORE CLEARLY ON THE QUESTION OF DEFENDING PRESTIGE AND AUTHORITY OF GATT PANELS. THEY HOPED THEY WOULD BE IN A POSITION TO DO SO BUT COULD GIVE NO GUARANTEES. CANA- DIANS ADDED IT WAS NOT HELFUL TO HAVE CURRENT U.S. ADMIN- ISTRATION INTENTIONS RE DISPOSITION OF DISC REMAIN UNCLEAR. SORENSON

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Control Number: n/a
Copy: SINGLE
Sent Date: 25-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Handling Restrictions: n/a
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ISecure: 1
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Litigation History:
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Retention: 0
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TAGS: ETRD, CA, GATT, DISC
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Type: TE
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